

Special Meeting
“Budget Workshop”
Wednesday, April 28, 2010
6:00 pm
Chowan County Public Safety Center
305 West Freemason Street
Edenton, NC

MINUTES

The Chowan County Board of Commissioners held a budget workshop meeting on Wednesday, April 28, 2010 at 6:00pm in the lobby of the Chowan County Public Safety Center, 305 West Freemason Street, Edenton, NC.

Present, Chairman Eddy Goodwin, Vice Chairman Emmett Winborne, Commissioner Jimmy Alligood, Commissioner Louis Belfield, Commissioner Kenny Goodwin, Commissioner Ralph Cole, and Commissioner Keith Nixon. Staff present: County Manager Peter Rascoe, Finance Officer Lisa Jones, and Clerk to the Board Susanne Stallings.

Chairman Eddy Goodwin called the meeting to order he then led the group in the pledge followed by the invocation.

FY10/11 Budget Workshop

Reports from Finance Sub Committee

Solid Waste Fund – payback

Commissioner Kenny Goodwin stated that the Finance Sub Committee met and made recommendations to be considered by the full Board. He noted the Budget Transfers from the April full Board meeting would be discussed at the May Finance Sub Committee meeting.

Mr. Rascoe stated that the County attorney has reviewed a proposal to establish a pay back from the Solid Waste Fund to the General Fund. (a copy of the Attorney letter to the Board is in the meeting file labeled April 28, 2010) He stated the County Attorney recommended specific language in a resolution establishing the payback. He stated that the County Attorney recommends that the resolution would note that \$1.7 million was paid from the General Fund deceptively into the Solid Waste Fund without Board of Commissioner approval. He stated the payback would be done over a 10 year period in incremental amounts and the amount budgeted for payback each year could be based on collections. He noted he would continue to work with the County Attorney on the language.

Commissioner Nixon asked if the Board could get a letter of opinion from the County Auditor.

Commissioner Cole stated that he read the letter of opinion and asked for information on the cases cited in the attorney's letter.

Mr. Rascoe stated the County Attorney states that the facts are different than the cases. He added that payback would be from amounts of revenue over collections. He stated that the first payment would be \$162,000 and that the County Auditor concurred verbally that this could be done.

Commissioner Nixon noted that the payback is planned because of the Hospital Reserve monies that were used to balance the Solid Waste Fund in previous years.

Mr. Rascoe added that the attorney states that there is documentation stating the monies were used from General Fund reserves. He noted that the Board voted to set the user fees at \$3.50 per month representing \$1.50 to sufficiently cover the annual operational costs of the fund and \$2.00 to allocate to a repayment fund which shall be used solely to reimburse the County's General Fund for monies that were previously transferred to support actual operational costs of the solid fund.

Chairman Eddy Goodwin stated that it is important that the Solid Waste Fund and Board operate conservatively.

Commissioner Kenny Goodwin suggested that the Board budget for the monies in the FY 2010-11 budget.

Commissioner Nixon stated that he felt the monies should not be budgeted to be spent in the General Fund but budgeted as a contribution to reserve.

Commissioner Kenny Goodwin moved that \$162,000 be budgeted for FY 2010-11 from the revenues realized in FY 2009-10. (motion amended below)

Commissioner Nixon stated his concern of budgeting for next year when the fee increase was adopted in the current year.

Commissioner Kenny Goodwin asked to amend his motion to use the current FY 2009-10 monies as a contribution to reserve in FY 2009-10.

Commissioner Nixon noted the budget could be amended at the end of the year based on the current year collections.

Mr. Rascoe proposed to budget the same amount as a contribution to reserve in the FY 2010-11 budget noting that the budget could be amended at the end of the year if over/under projection.

Chairman Eddy Goodwin asked for all in favor, the motion passed (6-1 Belfield).

USDA Loan Contingency

Commissioner Goodwin stated that the Finance Sub Committee reviewed the legal obligation to budget \$147,810 as required by USDA as part of the loan agreement.

Commissioner Winborne asked if the County could request another year due to fiscal hardship.

Mr. Rascoe stated that it is possible; however, the lack of funding could show up in the audit requiring the County to write a letter, he stated this contingency is a legal requirement of the loan.

Commissioner Kenny Goodwin stated that he felt the County could leave the amount out of the budget.

Ms. Jones noted that ½ of the payment is for FY 2009-10 and the other is FY 2010-11.

Commissioner Winborne stated he didn't want to vote for something illegal however he felt this was a hardship on the County.

Commissioner Alligood stated his concern over not budgeting contingency in the FY 2010-11 Budget.

Commissioner Nixon clarified that this would be budgeted as a reserve and not an expense line.

Commissioner Kenny Goodwin moved to take out the budgeted \$147,810 from the FY 2010-11 budget. He stated that he hoped that ½ of the amount could be paid at the end of June.

Chairman Eddy Goodwin asked for all in favor, the motion failed (3-4 Nixon, Cole, Alligood and Belfield).

Commissioner Alligood moved to budget the full amount of 147,810 in FY 2010-11. (motion amended below)

Mr. Rascoe asked if the Board was interested in budgeting for ½ of the amount in FY 2010-11 and if possible pay FY 2009-10 at the end of the fiscal year.

Commissioner Alligood moved to budget ½ of the loan contingency in FY 2010-11 (\$73,905).

Commissioner Nixon asked if there was \$147,810 in a special reserve fund, could it be used if needed.

Ms. Jones stated yes.

Chairman Eddy Goodwin asked for all in favor, the motion passed (5-2 K. Goodwin, Winborne).

911- Central Communications

Chairman Eddy Goodwin stated that he met and discussed this with the Town. He stated that no answer was given and the Town will continue to consider the County's request and come back with a response.

EMS

(A copy of the below referenced Auditor's feasibility study is in the meeting file labeled April 28, 2010).

Commissioner Kenny Goodwin stated the FY 2010-11 budget request for EMS has been discussed and brought back for further discussion. He stated that the Committee feels that because EMS is an enterprise fund, it should be self sustaining.

Commissioner Nixon stated his concern in using the general fund to subsidize EMS operations and capital requests.

Commissioner Winborne asked why is the fund not self supporting.

Mr. Rascoe provided the Board with the history of the fund.

Commissioner Kenny Goodwin stated that he feels the collections are not where they are supposed to be according to the feasibility study provided by the auditor. (a copy of the auditor's study is in the meeting file labeled April 28, 2010.)

Mr. Rascoe noted that collections have been put out for bids. He stated that the contract with the current company, Southern Credit is up for renewal. He added that the County has a no write off policy and money owed to EMS sits on the County books. He added that there is a high amount of denial of Medicaid and Medicare claims.

EMS Director Colin Ryan stated that many of the claims are in appeals where the paper work is submitted to the billing company and any appeal is handled by the company. He added that all transports have Doctor certifications.

Commissioner Alligood asked what the state average for collections in EMS was.

Mr. Ryan said that most collect at 83% or higher. He said he has not found any EMS in the area that does its own billing/collections.

Commissioner Alligood stated his concern with not putting the capital requests (pads, new ambulance and radios) in the budget.

Jean Burr with Unit 3 stated her concern that Unit 3 would need assistance from Chowan County for night coverage.

Commissioner Keith Nixon stated that Fund 60 may have additional revenues. He stated his concern over the EMS fund not being self supporting. He added that the study was performed to see if privatization of transports was feasible. He suggested that the General Fund make a loan to the EMS Fund. He stated that his conversations with the Auditor indicated that the EMS Fund should generate revenues. He stated he would like to give the EMS Director the opportunity to make the priority decisions for capital needs. He stated that the Board received a request for the pads in the previous year's budget but not the ambulance.

Commissioner Alligood stated his concern of the pads being a life or death issue.

Commissioner Cole asked if the ambulance was in bad shape.

Mr. Ryan stated it was.

Chairman Eddy Goodwin noted that the ambulances are not required to provide transport and that EMS currently has 6 ambulances.

Commissioner Winborne asked for clarification on a loan from the General Fund.

Mr. Rascoe stated the Board minutes would need to reflect the transaction and pay back for the auditor.

Commissioner Kenny Goodwin stated that 60 days remain in the current budget. He stated that EMS could see immediate turn around in collections with a new company.

Mr. Ryan noted that all the outstanding accounts would not be picked up by the new billing company.

Commissioner Nixon stated that the EMS Director could make capital purchases as the revenue increases with the new company. He stated he felt it was a priority for the Board to make contributions to reserve if there are additional revenues.

Commissioner Alligood moved to leave the requested \$390,000 in the EMS FY 10-11 budget request.

Chairman Eddy Goodwin asked for all in favor, the motion failed (3-4 K. Goodwin, Winborne, E. Goodwin, Nixon)

Commissioner Belfield stated that he would like to see the Board allow a loan for the EMS equipment.

Commissioner Kenny Goodwin stated he did not feel it was a safety issue but was concerned with taking money from the general fund to subsidize the EMS Fund. He moved that the Board remove the contribution to the EMS fund from the proposed budget by removing the \$390,000 and the total of \$661,127 including the indirect cost contribution from EMS).

Commissioner Alligood felt the Board needed to develop a plan for EMS.

Commissioner Nixon clarified that emergency calls take precedence over transports and if the EMS was busy with emergency calls, the transports could be sent to other agencies.

Mr. Ryan stated yes, this was the protocol currently in place.

Commissioner Nixon stated his concern was that the transports pay for themselves.

Chairman Eddy Goodwin asked for all in favor, the motion passed (4-3 Cole, Belfield, Alligood). (an additional motion is made pertaining to the EMS Budget later in this meeting, see below)

Contribution to Reserve

Commissioner Kenny Goodwin stated that the Committee felt the Board needed to address the contribution to reserve in the FY2010-11 budget.

School

Commissioner Nixon moved that the Board increase the contribution to the school budget by an additional \$50,000 and allow the manager to locate this revenue in the proposed budget.

Commissioner Kenny Goodwin clarified that this has nothing to do with the SRO Officer.

Chairman Eddy Goodwin asked for all in favor, the motion passed unanimously (7-0).

General Fund Working Revenues (FY10-11)

Mr. Rascoe reviewed the changes in the working revenue sheet from the previous meeting. The following changes were noted:

Senior Center- grant

SRO Program – figure includes correction

DSS – phone system purchased in current budget

Town Data Processing- increase Town's share for new computer purchase

DENR – grant to be received

General Fund Working Expenses (FY10-11)

Governing Body – reduction of expenses and additional cost of audit in Gov. Body line

IT – phone purchase in FY 09-10

Alumni Bldg- no roof repair

PSC – reduction of expense by \$18,000

COA – reduction of request to only include fiber cable request

Central – one position to remain frozen

Sheriff – 1 deputy post to remain frozen, 1 position to be Animal Control, eliminate vehicle purchase

Public Health – grant for mosquito control

DSS – phone purchase in current year

School – increase of \$50,000

Library – appropriation request reduced to FY09-10 level of funding

Workers Comp- reduction of premium

Property/Liability Ins. – reduction of premium

USDA – ½ of payment to be included in FY 09-10 budget and remainder in FY10-11 (\$73,905)

Reval - \$25,000 reduction

EMS – reduced from previous meeting to include reduced premiums.

Special Revenue and Enterprise Funds

Commissioner Kenny Goodwin asked when the storm preparedness would come off.

Ms. Jones stated the loan would be paid in December 2010.

Commissioner Nixon asked if the water tower is going to be painted in the FY10-11 budget.

Mr. Rascoe said yes.

Commissioner Kenny Goodwin asked for the line item budget for each department.

Further Directives

Commissioner Nixon moved that the Board incorporate the 1.5 cent of the tax rate to be budgeted as a contribution to reserve. He noted that while 8% is a benchmark, most counties reserves are 20-23% of the total budget. He stated he felt it was important that the County begin building its reserves.

Chairman Eddy Goodwin asked for all in favor, the motion passed unanimously (7-0).

Chairman Eddy Goodwin called for a 10 minute recess.

(recess)

Chairman Eddy Goodwin called the meeting to order.

Committee Recommendations – Planning/Enterprise Committee

Commissioner Nixon noted that at a previous Board meeting, Commissioner Alligood asked that the Board begin searching for a use for the Jailers House (former County Manager's Office). Commissioner Nixon stated that the Planning/Enterprise Committee recommends that the County offer the building to the Chamber of Commerce to occupy the building at no charge only to require them to maintain the building itself. He stated this could result in a savings for TDA budget expenses.

Chairman Eddy Goodwin asked if the Committee considered when they want to offer the facility.

Commissioner Nixon stated the committee recommended that the building be offered July 1st, and add a stipulation that the occupant of the building allow the jail to be open for visitors and touring during business hours.

Commissioner Alligood thanked the Planning/Enterprise Committee for their work.

John Mitchener stated his concern with the conditions of the current manager's office.

Chairman Eddy Goodwin asked for all in favor, the motion passed (6-1 Cole).

EMS

Mr. Rascoe noted that the previous discussion on removal of the \$661,000 would impact positions in EMS in the amount of \$56,913.

Ms. Jones explained the revenue from indirect cost of \$1,724,177 and capital requests of \$307,500 leaving a difference of \$56,913.

Commissioner Kenny Goodwin made a motion to increase the revenue projection in the proposed FY10-11 EMS budget to the level of the FY 09-10 amount of \$1,406,500 to balance the proposed budget.

Commissioner Nixon stated that if the Board sees a trend of the revenues not being collected, then they can amend the budget later in the year.

Chairman Eddy Goodwin asked for all in favor, the motion passed (7-0)

EMS proposed operational change

Mr. Rascoe noted that the EMS director stated that the captain of Unit 3 came to him recently to discuss their challenge with nighttime coverage of unit three. He explained that Unit 3 is staffed by volunteers. He noted that this has been previously discussed by the Planning/Enterprise committee.

Mr. Ryan stated that there are three options:

1. 1 Full time EMS personnel to respond with a volunteer would require EMS to hire 2 Intermediates and would work 12 hour shifts. This would require the volunteer to spend the night with the hired staff.
2. Paid staff cover 3 nights, volunteers cover the remaining, EMS hire 1 Basic EMT and 1 Intermediate (no night transports could be provided)
3. Have 1st responder coverage only, volunteers respond from home Hire 4 additional personnel 2 Basic EMTs and 2 Intermediate.
4. Option 4 requires paid personnel to wait at the building for volunteers to respond.

Crystal Copeland, Captain of Unit 3 stated that she met with Mr. Ryan and requested coverage for two nights per week. She said that Unit 3 needed assistance with coverage though their lull.

Mr. Ryan gave an average of response times for Unit 3 from January 2010.

The Board members discussed the costs for each of the options.

Mr. Ryan stated that Option 1 would cost \$75,000, Option 2 same (with a loss in transport revenue), Option 3 \$150,000 (high end).

Commissioner Alligood clarified Unit 4 assistance with transports.

Mr. Ryan noted that Unit 4 moves to Valhalla to cover when Town is providing transports.

Jean Burr stated that the need for EMTs at Unit 3 is short term. She stated that recruitment is underway for additional volunteers.

Commissioner Alligood stated he felt Option2 was the best for EMS.

Commissioner Kenny Goodwin stated his preference is to provide full time paid coverage for the northern end of the County. He stated that based on the numbers provided the response times are not that bad.

Crystal Copeland stated that repairs have been made to the Unit 3 building for EMTs to begin spending the night.

Unit 3 Volunteer, Louis Nixon stated that the volunteers have been able to provide coverage easily until 2009. He said the Unit was requesting some assistance from the County. He asked the Board to consider the savings volunteers give the County.

Commissioner Alligood asked if 88 hours per week enough coverage is.

Ms. Copeland said yes.

Commissioner Alligood then moved that the County approve Option 2, with 2 people two nights per week.

Commissioner Nixon stated the Board received the information only a few days earlier at the committee level. He stated he felt it was too soon to make a decision. He stated he wanted to see the EMS Director work with Unit 3 on some type of agreement for coverage.

Commissioner Winborne stated he did not want to rush into a decision and asked the director if there was an emergency.

Chairman Eddy Goodwin asked for all in favor, the motion failed (3-4 Nixon, K. Goodwin, Winborne, E. Goodwin).

Unit 3 Volunteer, Keith Nixon stated that a volunteer's life is planned around Unit 3 coverage. He stated his concern for rapid response times.

Chairman Eddy Goodwin asked Ms. Copeland if she could meet with the EMS Director, Mr. Ryan and provide the Board with a resolution at the meeting on Monday, May 4, 2010.

Ms. Copeland said yes.

Office Consolidation

Commissioner Keith Nixon suggested that the 1st floor office consolidation be added to the May meeting agenda.

Being no further business, the meeting was adjourned.

Edward C. Goodwin, Chairman

L. Susanne Stallings, Clerk